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SECRET

Investment Recommendation No. 1

15 September 1965

MEMORANDUM FOR: Director of Finance

SUBJECT : Recommended Investment in U. S. Treasury Securities for CIA Retirement Fund

I. Funds Available for Investment

Cash on Hand GL 906 - 14 September 1965 [redacted] 25X1A
Reserve for Annuity Payments
Cash Available for Investment

Due from CSC [redacted] 25X1A

[redacted] 25X1A

Chief, Compensation and Tax Division

II. Investment Proposal

A. The following U. S. Treasury securities are submitted for your consideration:

1. 4% U. S. Treasury Bonds maturing February 15, 1980
2. 3½% U. S. Treasury Bonds maturing November 15, 1980

B. Specific Recommendation

Investment up to [redacted] in 4% U. S. Treasury Bonds maturing February 15, 1980. The present yield to maturity is approximately 4.26%. This issue was recommended by Treasury and approved by DDCI on 26 August 1965 per Director of Finance recommendation. 25X1A 25X1A

[redacted]

Chief, Monetary Division 25X1A

APPROVED:

[redacted]

Director of Finance 9/15/65 Date

GROUP 1
Excluded from automatic downgrading and declassification

III. Action Taken

Verbally instructed [redacted] Treasury, on 14 September 1965 to purchase bonds as approved. 25X1A

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Formula for Computing Interest when Less than six months period

$$\frac{\text{No. of Days Interest}}{\text{No. of Days in Six Months Period of Interest}} \times \text{6 months Interest @ \%}$$

1) start with 16th day and include date of settlement

2) In computing number of days in six months period, start with 16th and go thru 15th day (end of period)

Example

Interest on Bonds dated 15 May - with coupons on 15th May and 15 Nov.

Purchased 20 ~~November~~ September 4 1/4 %

	1	2
May	16	15
June	30	30
July	31	31
Aug	31	31
Sep	~~20~~	30
Oct	-0-	31
Nov		
	128	184

$$\frac{128}{184} \times \text{6 mos @ 4 1/4 \% on face Value}$$

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25X1A

Purchase of [redacted] in Bonds @ 97 4/32

25X1A

[redacted]

Interest

Aug 16 – Sept 15

31 days

25X1A

[redacted] Total Cost

* Computed 16 days

Sept 15

31 .. Interest Purchased @ 4%

No of days Interest / No of days in mg monthly 16 Aug – 15 Sept = 31/184 X

25X1A

[redacted]

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Treasury Bills

$$\frac{\text{Face} \times \text{yield} \times \text{no. of days to maturity}}{360}$$

Example

$1,000 × 7.10% × maturing 13 Feb 1970
(140 days)

25X1A

[redacted]

25X1A

Cost of Bill
Fam. Insured [redacted]

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